

Export Basics

E-commerce for Exporters

E-commerce is the act of buying and selling of goods and services over the Internet. E-commerce offers tremendous opportunities and mastering the intricacies is essential to success.

Steps to Selling Online



1. Evaluate your e-commerce potential – Take some time to reflect on your current operations and product offerings. Are you ready for e-commerce?
2. Develop an e-commerce plan – Just like an export plan is a necessity for preparing to market your products in international markets, an e-commerce specific plan will help you tackle the digital aspects of selling online.
3. Modify your products for foreign markets – You must ensure that your products are suitable for your target markets. Taste preferences, labeling and any other specific foreign regulations. Note that these will vary by country.
4. Research the legal issues related to selling online – Consult a lawyer specializing in international law to make sure you are in compliance with all of the regulations.

Legal and Regulatory Issues to Consider:



- Jurisdictions
- Intellectual Property
- International Trade Agreements
- Export Controls
- Sanitary and Phytosanitary measures
- Canadian federal requirements

5. Leverage your website to sell abroad – Considering developing a multilingual website as this will be necessary to reach customers where English is not used.

6. Ship your products – You can call upon the assistance of freight forwarders, customs brokers and fulfillment houses once you have made a sale.
7. Get paid – Online payment options include third-party credit card processing companies, online fund transfer services and prepaid credit services.



Advantages

- Find new customers in overseas markets
- New revenue streams
- New options for current customers
- Conduct business 24/7
- Build brand awareness
- Access new markets in a low-cost manner
- Monitor real-time sales to understand what customers are searching for
- No brick and mortar location needed
- Lower marketing costs
- Streamlined business operations
- Better customer experience
- Easy to start and scale
- Easier to encourage impulse buys
- Fewer employees needed


TIP: Offer customer support either through a Frequently Asked Questions list available on your website or through email-powered assistance.



Disadvantages/Risks

- Financial risk
- Risk of non-payment
- Foreign exchange rate risk
- Cyber security
- Site crashes
- Customers can't try before they buy
- Shipping times could be lengthy


Common Sales Channels

1. Own company website – Running your own store ensures total control. You decide the look and feel of your store and how your products are presented.
 - a. Example: Shopify (platform) 
2. General marketplace – Low barriers to entry. Mass appeal marketplaces sell a wide-range of products. They give your product a degree of credibility but it is difficult to build a brand or associate the purchase with your company.
 - b. Example: Amazon, Rakuten, Alibaba
3. Social media – A popular way to match you and your products with your customers/followers.
 - c. Example: Facebook, Instagram
4. Subscription box service – Getting your product into a monthly tasting box is a great way to expose your product to new customers.
 - d. Example: Cratejoy

Types of e-commerce:

- B2C (Business-to-Consumer)
- B2B (Business-to-Business)
- C2B (Consumer-to-Business)
- C2C (Consumer-to-Consumer)
- B2G (Business-to-Government)

Returns

Returns can be a real issue for e-commerce businesses as the return rate for retail establishments' runs between 8-10%, yet the return rate for e-commerce companies is double that at 20%. 

When a product is returned, the seller must factor in the following costs: labour, reselling, damaged goods, and transportation.

Developing a good returns policy that is easily accessible to customers is a crucial step in your e-commerce plan.

Savvy companies find ways to optimize the returns process and take advantage of the benefits that can be accrued with returns.

For more information, Alberta companies can contact:

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Additional Resources

[BDC – Online exporting: 5 steps to get your business ready](#)

[EDC – E-commerce: What exporters need to know](#)

[Easyship – Your Guide to Managing eCommerce Returns](#)

[International Trade Administration – E-commerce Resources](#)

[Shopify – 11 Online Sales Channels and How to Choose the Right Ones for Your Retail Business](#)

[Trade Commissioner Service – Step 10: Sell online using e-commerce](#)

[Website Builder Expert – How to Sell Online: Start Making Money Today](#)